

Will 2023 be a breaking point for the EV revolution?

written by Jack Lifton | January 1, 2023

In 2023 well funded, or at least funded, development of deposits of critical minerals into mines will continue providing that the target production of the minerals is projected to be profitable, and the first product is projected to be delivered on time.

Savvy readers know that my above statement is just boilerplate for an OEM automotive annual report. It's tautological, its conclusion is contained in its premises. It is not at all certain that high-tech, critical minerals producers and processors, will be ready or even existent by the time the minerals can be delivered to their end-user manufacturers.

Even the car makers who have been so generous (or profligate) in their "investments" in critical mineral production and projects have finally begun to realize that their future demand projects, when measured against contemporary real world supply, have caused critical minerals prices to go too high to support their inclusion in the consumer products manufactured from them. [Lithium](#) is a prime example.

Worse than that the bankers who once viewed car makers as AAA investments are now very concerned at the profligate use of the enormous lines of credit by the car makers being used to fund critical minerals wannabes that the banks themselves would never consider. "Use retained earnings" has been the response of credit line providers asked to cover such "investments."

It's time that car makers performed a due diligence on the critical minerals' supply space.

They need to ascertain whether or not the supply of finished components necessary for the assembly of motor vehicles, such as batteries, traction electric motors, miniature accessory electric motors, and, yes, even catalytic converters can meet current and all future demand.

Simultaneously, they need to predict and mandate price maximums for critical minerals that they can afford if their products are to be saleable.

For the first time, they need to address the lifetimes, as well as the costs, of critical mineral enabled components, since consumers will have to keep the vehicles for much longer than in the past in order to be able to afford them at all.

They need to assess these factors for minerals, metals, and manufactured components dependent upon lithium, cobalt, nickel and the rare earths.

If car makers are to change over from ICE powertrains to BEVs then they need to do this right now, and they need to recruit managers and analysts who can do the job.

2023 is a breaking point if there is to be an EV revolution/transformation.